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MILK MARKET INFORMATION  
CHATTANOOGA, TENNESSEE, MARKETING AREA  
March 1963

MAY 1 1963

Number 8

CURRENT SERIAL RECORDS

Volume 7

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Federal Order No. 90, 5916 Brainerd Road, Chattanooga 11, Tennessee  
J. B. McCroskey, Market Administrator

SUPPORT PRICES MAINTAINED AT 75 PERCENT OF PARITY

The U. S. Department of Agriculture announced on March 14, 1963 the national average support prices for the 1963-64 marketing year of \$3.14 cwt. for manufacturing milk and 58.1 cents per pound for butterfat. The slightly higher support prices over the respective \$3.11 per cwt. and 57.1 cents for the 62-63 marketing year was because of higher parity prices this year than last. These prices reflect 75 percent of parity prices for the two commodities during both marketing years. The butterfat test of milk on which this price is based was 3.77 percent. A corresponding price for manufacturing milk of 3.5 percent butterfat would be \$2.92 per cwt. The Government's carlot buying prices for butter and nonfat dry milk remain unchanged but are being increased 1 cent per pound for cheddar cheese to assure maintaining the support price for manufacturing milk.

MARKET SUMMARY MARCH 1963

The Chattanooga Order MINIMUM uniform producer prices per cwt. f.o.b. pool plants for milk testing 3.5% are: Base Milk \$4.42, Excess Milk \$2.71. The butterfat differential is 7.2 cents for each one-tenth of one percent above or below 3.5%.

During March 80.1% of the total producer milk was priced in Class I at \$4.75 per cwt. with a butterfat differential of 7.5 cents and 19.9% priced in Class II at \$2.75 per cwt. with a butterfat differential of 6.7 cents. The percent of producer skim and butterfat priced in Class I was 80.7% and 68.2% respectively. Base milk was 95.0% and excess milk was 5.0% of the total producer deliveries. All excess milk and 15.6% of base milk was priced in Class II and 84.4% of base milk was priced in Class I.

The daily average deliveries of producer milk during March decreased 3.2% compared with February and decreased 2.0% compared with March 1962. The daily average use of Class I milk decreased 1.9% compared with February and increased 5.3% compared with March 1962. The daily average base delivered was 90.2% of the established base.

MILK SAMPLES TESTED - Producer Fresh Samples 5,702 - Handler Finished Products 215.

CHATTANOOGA MARKETING AREA POOL AND NON-POOL PLANTS - MARCH 1963

Pool Plants (10)

Associated Dairies, Inc.  
Chattanooga Area Milk Prod. Assn.  
Cunninghams Dairy  
Grant-Patten Milk Co., Inc.  
Happy Valley Farms, Inc.  
C. D. Haslerig & Sons Dairy  
Home Stores, Inc.  
Mayfield Dairy Farms, Inc.  
Ray Moss Farms, Inc.  
Sealtest Foods-Southern Division

Non-Pool Plants (6)

Columbia Dairy Products, Inc.  
Nance Dairy, Inc.  
Paramount Dairies, Inc.  
French Broad Dairy, Inc.\*  
Miss Tennessee Dairies, Inc.\*  
Stoffell's Dairy, Inc.\*

\* Regulated as pool plants by  
Federal Order No. 101.

COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

	<u>Mar. '63</u>	<u>Feb. '63</u>	<u>Mar. '62</u>
Number of Plants (Pool and Non-Pool)	16	15	15
<u>GROSS RECEIPTS POUNDS (DAILY AVERAGE)</u>			
Producer Deliveries - Base	457,343	-	453,153
- Excess	24,119	-	38,340
- Total	481,462	497,455	491,493
% March '63 compared with:	100.0	96.8	98.0
Other Source	16,567	10,684	9,910
Other Order	24,722	35,631	4,745
Total Milk Receipts	522,751	543,770	506,148
% March '63 compared with:	100.0	96.1	103.3
<u>GROSS UTILIZATION POUNDS (DAILY AVERAGE)</u>			
Class I Uses:			
Fluid Milk	313,810	322,068	312,812
Fluid Skim	20,409	20,808	16,734
Buttermilk	40,617	39,718	40,375
Flavored Milk & Drink	9,593	8,874	7,931
Fluid Creams (Sweet & Sour)	2,553	2,692	2,647
Bulk to Non-Handlers	12,968	11,701	211
Shrinkage Class I	1,582	2,711	1,555
Other	(2,039)	(1,540)	(2,725)
Total Class I Milk	399,493	407,032	379,540
% March '63 compared with:	100.0	98.1	105.3
Class II Uses:			
Butter	501	624	13,624
Cottage Cheese	17,122	18,507	17,932
Powdered and Condensed Milk	47,631	68,580	66,734
Ice Cream	41,080	37,326	23,805
Stockfeed	4,241	3,645	3,621
Shrinkage Class II	8,657	6,135	7,326
Other	4,026	1,921	(6,434)
Total Class II Milk	123,258	136,738	126,608
% March '63 compared with:	100.0	90.1	97.4
Gross Class I Butterfat Pounds	14,103	14,506	13,292
Gross Class II Butterfat Pounds	7,205	8,475	7,719
Total Butterfat Pounds	21,308	22,981	21,011
% Producer Milk to Gross Class I	120.5	122.2	129.5
% Producer Milk priced in Class I	80.1	80.5	76.2

APRIL 1963 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

	<u>Apr. '63</u>	<u>Mar. '63</u>	<u>Apr. '62</u>
Basic Formula	\$3.09	\$3.10	\$3.255
Plus Class I Differential	1.75	1.75	1.75
Supply-Demand Adjustment	(0.02)	(0.10)	(0.16)
Class I Price, 3.5% Butterfat	\$4.82	\$4.75	\$4.845
<u>Per \$ 1090.51 (a)</u>			
Supply-Demand Comparison: 1st and 2nd preceding months: February and March			
Supply: Lbs. Producer Milk (Feb. 13,928,745 and Mar. 14,925,305)			28,854,050
Demand: Lbs. Net Class I Milk (Feb. 11,315,012 and Mar. 12,037,233)			23,352,245
Utilization Percentage: Producer milk divided by Class I			124
Standard Utilization Percentage: Range 119-123			123
Net Deviation Percentage: Utilization minus Standard Utilization			plus .1
Supply-Demand Adjustment: 2 cents x 1 percentage point			minus \$0.02

Since the supply in relation to the demand is more than the desired standard, the price is decreased 2 cents per hundredweight (2 cents x 1 percentage point).



COMPUTATION OF UNIFORM PRODUCER PRICES FOR MARCH 1963  
Based on 16 plant reports prior to audit

	Class %	Milk Pounds	Butterfat Test-%	Cwt.Price @ Test	Value
Gross Class I		12,384,277	3.530		
Less Other Source		423,223	3.043		
Producer Milk Class I	80.1	11,961,054	3.547522	\$4.785642	\$572,413.22
Gross Class II		3,820,993	5.845		
Less Other Source		856,742	2.962		
Producer Milk Class II	19.9	2,964,251	6.678551	4.879629	144,644.45
TOTAL PROD. (Cl. I + Cl. II)	100.0	14,925,305	4.169362		717,057.67
Less Fractional Adjustment					.08
Add Compensatory Payment Value					1,200.28
Add Overage Value					-0-
Add Inventory Reclassification Value					292.80
Add $\frac{1}{2}$ Prod.-Settlement Fund Reserve					6,327.91
TOTAL VALUE AT TEST		14,925,305	4.169362		724,878.58
Less Test Over 3.5% @ 7.2¢ per point		14,925,305	.669362	0.481941	71,931.16
TOTAL PRODUCER MILK VALUE AT 3.5% TEST		14,925,305	3.5		652,947.42
		Pounds	Price 3.5%	Amount	
Excess Producer Milk - Class I		-	-	-	
Excess Producer Milk - Class II		747,676	\$2.75	\$20,561.09	
Total Excess Producer Milk		747,676	2.75	20,561.09	
Less Prod.-Settlement Fund Res. @ 4¢		747,676	.04		299.07
UNIFORM EXCESS PRICE f.o.b. PLANT - 3.5%		747,676	2.71		20,262.02
Value of Base Milk (Total less Excess)		14,177,629	4.460452		632,386.33
Less Producer-Settlement Fund Reserve		14,177,629	.040452		5,735.13
UNIFORM BASE PRICE f.o.b. PLANT - 3.5%		14,177,629	\$4.42		\$626,651.20

MARCH 1963 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT (0-65 Mile Zone)  
BUTTERFAT DIFFERENTIAL 7.2¢ PER POINT (EXCLUDES PREMIUMS)

TEST %	PRICES		TEST %	PRICES		TEST %	PRICES	
	BASE	EXCESS		BASE	EXCESS		BASE	EXCESS
3.0	\$4.06	\$2.35	4.0	\$4.78	\$3.07	5.0	\$5.50	\$3.79
3.05	4.096	2.386	4.05	4.816	3.106	5.05	5.536	3.826
3.1	4.132	2.422	4.1	4.852	3.142	5.1	5.572	3.862
3.15	4.168	2.458	4.15	4.888	3.178	5.15	5.608	3.898
3.2	4.204	2.494	4.2	4.924	3.214	5.2	5.644	3.934
3.25	4.24	2.53	4.25	4.96	3.25	5.25	5.68	3.97
3.3	4.276	2.566	4.3	4.996	3.286	5.3	5.716	4.006
3.35	4.312	2.602	4.35	5.032	3.322	5.35	5.752	4.042
3.4	4.348	2.638	4.4	5.068	3.358	5.4	5.788	4.078
3.45	4.384	2.674	4.45	5.104	3.394	5.45	5.824	4.114
3.5	4.42	2.71	4.5	5.14	3.43	5.5	5.86	4.15
3.55	4.456	2.746	4.55	5.176	3.466	5.55	5.896	4.186
3.6	4.492	2.782	4.6	5.212	3.502	5.6	5.932	4.222
3.65	4.528	2.818	4.65	5.248	3.538	5.65	5.968	4.258
3.7	4.564	2.854	4.7	5.284	3.574	5.7	6.004	4.294
3.75	4.60	2.89	4.75	5.32	3.61	5.75	6.04	4.33
3.8	4.636	2.926	4.8	5.356	3.646	5.8	6.076	4.366
3.85	4.672	2.962	4.85	5.392	3.682	5.85	6.112	4.402
3.9	4.708	2.998	4.9	5.428	3.718	5.9	6.148	4.438
3.95	4.744	3.034	4.95	5.464	3.754	5.95	6.184	4.474

## CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT MILK)

Date	PRODUCER UNIFORM PRICES <sup>1/</sup>				HANDLER CLASS PRICES <sup>1/</sup>			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
Mar.'62	\$4.25 <sup>2/</sup>	\$4.39	\$2.61	7.6¢	\$4.785	7.9¢	\$2.68	7.0¢
Apr.	4.03 <sup>2/</sup>	4.25	2.59	7.4	4.845	7.9	2.665	6.7
May	3.93 <sup>2/</sup>	4.12	2.60	7.2	4.575	7.5	2.665	6.7
June	4.00 <sup>2/</sup>	4.16	2.60	7.2	4.535	7.5	2.665	6.7
July	4.01 <sup>2/</sup>	4.19	2.59	7.2	4.655	7.5	2.655	6.7
Aug.	4.05	-	-	7.2	4.60	7.5	2.66	6.7
Sept.	4.02	-	-	7.2	4.37	7.5	3.06	6.7
Oct.	4.03	-	-	7.2	4.39	7.6	3.05	6.7
Nov.	4.20	-	-	7.2	4.52	7.5	3.09	6.7
Dec.	4.20	-	-	7.2	4.65	7.5	3.09	6.7
Jan.'63	4.29	-	-	7.2	4.70	7.5	3.09	6.7
Feb.	4.24	-	-	7.2	4.63	7.5	2.76	6.7
Mar.	4.33 <sup>2/</sup>	4.42	2.71	7.2	4.75	7.5	2.75	6.7
Apr.	-	-	-	-	4.82	7.5	-	-

## PRICES USED IN DETERMINING CLASS PRICES AND BUTTERFAT DIFFERENTIALS

Date	CLASS II ALTERNATIVE FORMULAS \$-cwt-3.5%		PRICE QUOTATIONS			BASIC FORMULA Minn.-Wisc. Mfg.Grade Milk <sup>4/</sup> \$-cwt-3.5%
	4 Tenn.	Butter	4 Tenn.	Chi.92°	Chi.Area	
	Milk Mfg.	Powder	Milk Mfg.	Butter	Powders	
			\$-cwt-4%	¢ Lb.	¢ Lb.	
Mar.'62	2.68	3.30	3.031	60.466	15.060	-
Apr.	2.665	3.125	3.000	57.957	14.125	-
May	2.665	3.085	3.000	57.966	13.530	-
June	2.665	3.045	3.000	57.940	13.330	-
July	2.655	3.045	2.988	57.960	13.370	3.03
Aug.	2.66	3.05	3.000	57.970	13.270	3.04
Sept.	2.66	3.06	3.000	58.280	13.400	3.06
Oct.	2.66	3.05	3.000	57.960	13.440	3.07
Nov.	2.72	3.09	3.050	57.990	13.760	3.10
Dec.	2.75	3.09	3.081	57.980	13.860	3.11
Jan.'63	2.76	3.09	3.100	57.970	13.920	3.10
Feb.	2.76	3.08	3.100	57.940	13.950	3.10
Mar.	2.75	3.12	3.088	57.970	14.070	3.09

## SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLER GROSS MILK 3/			PRODUCER DATA 3/				Deliveries Per			Prod.
	No.	Total	Class I	Class I	Total	Base	No.	Farm----Pounds			Milk
	Hdlrs.	Receipt	Use	Use	Delivery	Delivery	Prod.	Prod.	Base	Exc.	Test%
Mar. '62	15	506,148	379,540	374,558	491,493	453,153	681	722	665	57	4.22
Apr.	14	558,864	352,989	348,757	536,251	466,013	680	789	685	104	4.13
May	14	546,419	356,897	352,503	522,955	459,802	678	771	678	93	4.03
June	14	510,155	353,585	349,410	486,065	437,132	678	717	645	72	4.08
July	14	506,519	338,196	334,149	480,832	425,757	677	710	629	81	4.05
Aug.	14	521,314	361,566	357,051	496,326	-	677	733	-	-	4.04
Sept.	14	528,521	385,941	381,658	508,196	-	673	755	-	-	4.09
Oct.	14	541,862	397,921	393,375	525,608	-	673	781	-	-	4.29
Nov.	14	514,930	408,451	403,240	500,085	-	672	744	-	-	4.41
Dec.	14	513,491	372,020	367,290	496,734	-	668	744	-	-	4.41
Jan. '63	15	508,261	389,638	383,143	493,018	-	666	740	-	-	4.36
Feb.	15	543,770	407,032	400,638	497,455	-	694	717	-	-	4.32
Mar.	16	522,751	399,493	385,841	481,462	457,343	661	728	692	36	4.17

<sup>1/</sup> Excludes Premiums<sup>2/</sup> For Statistics<sup>3/</sup> Other Source is Gross minus Producer; Class II is Receipts minus Class I<sup>4/</sup> Effective with Order Amendment August 1962